

Department of Business, Tourism, Culture and Rural Development

Annual Report 2014-15



**Business, Tourism, Culture and
Rural Development**

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MESSAGE FROM THE MINISTER



As the Minister responsible for the Department of Business, Tourism, Culture and Rural Development (BTCRD) I am pleased to submit the Annual Performance report for the 2014-15 fiscal year. It is submitted in accordance with the Department's obligation as a Category 1 entity under the *Transparency and Accountability Act*. It was prepared under my direction and I am accountable for the results reported herein.

The Department had a very busy and productive year. With the formation of BTCRD, the Department is leveraging the considerable strengths of its predecessor departments and continuing its collaborative approach to social, cultural, and economic development. The strong partnerships between government, academia, and industry remain at the core of our mission.

Since 2005, the Department has invested over \$214 million throughout the province in economic and business development initiatives, with over 70 per cent of that funding going to rural areas of the province. To sustain this growth, the Department continues to support start-up businesses, emerging growth sectors, and regional development activities through sustained funding and strategic program offerings. This commitment is a continuation of robust business support programs from pre-commercial, to new start-up, to growth and expansion and to investment attraction.

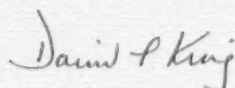
Tourism spending reached \$1 billion for the first time in 2011 as the province welcomed more than 1.5 million non-resident visitors. In addition, from 2012-2014, non-resident tourism spending increased 36%, reaching \$491 million in 2014, the highest level of non-resident spending ever in the province. With a \$100 million investment since 2006, the tourism brand is stronger than ever, and the *Find Yourself* campaign has become one of the most recognizable advertising campaigns in the country, earning more than 227 national and international awards.

By leveraging our province's vast knowledge and expertise, we have developed a world-class ocean and advanced technology sector. Through investments in innovative technology, broadband communications, advanced manufacturing, tourism and culture, and knowledge based sectors; we are positioning Newfoundland and Labrador to take

advantage of emerging opportunities in today's dynamic global economy. Through its targeted suite of programs and services, the Department is continuing to make strategic investments in a wide-range of industries throughout the province in both traditional industries and areas such as the fishery, forestry, aquaculture, and agrifoods sectors as well as knowledge based industries in ICT, ocean tech, life sciences and engineering technologies.

I would like to acknowledge the hard work of the employees of BTCRD; staff working throughout the province are committed to helping individuals, businesses and community groups succeed and grow. Their commitment to the province's success is stimulating economic and business development and supporting our cultural and tourism sectors, all in order to create a better and more prosperous Newfoundland and Labrador.

Sincerely,

A handwritten signature in cursive script that reads "Darin King".

Minister Darin King,
MHA, Grand Bank
Department of Business, Tourism, Culture and Rural Development

DEPARTMENTAL OVERVIEW

In September 2014, the Government of Newfoundland and Labrador announced the creation of BTCRD from the merger of the former Department of Innovation, Business and Rural Development (IBRD) and the Tourism and Culture branch of the former Department of Tourism, Culture and Recreation (TCR). The merger resulted in the development of a new vision, mission, values, and strategic directions. This report presents a progress report on the first year of BTCRD's three-year strategic plan, which is available at:

http://www.btcrd.gov.nl.ca/publications/pdf/strategic_plan_2014_17.pdf

VISION

The vision of BTCRD is of a vibrant, diverse, and sustainable economy, with productive, prosperous and culturally-rich communities and regions, making Newfoundland and Labrador a business and tourism "destination of choice".

MISSION

By March 31, 2017, BTCRD will have stimulated economic, business and tourism development to foster regional and provincial prosperity, while preserving and promoting culture and heritage throughout the province.

MANDATE

The mandate of the Department of Business, Tourism, Culture and Rural Development, stemming from Provincial Government Legislation and other foundational documents, is to lead:

- (a) the creation and maintenance of a competitive economic environment that encourages and supports private sector business growth and innovation, leading to long-term sustainable employment opportunities for the people of the province;
- (b) the diversification of the economy on a provincial and regional basis, with particular attention to rural areas;
- (c) marketing the province as a tourism destination and work with industry stakeholders to identify opportunities to develop the tourism industry;
- (d) promoting, protecting and preserving the province's arts, culture and heritage, including leveraging its intrinsic value for economic growth, especially in rural areas;

- (e) partnering with communities, organizations and other governments to organize events and activities marking important wartime milestones, honouring the sacrifice of Newfoundland and Labrador's veterans;
- (f) the promotion and encouragement of increased trade and export of goods and services by provincial industries and businesses in the national and international marketplace;
- (g) the creation of a climate conducive to innovation in business through the facilitation of research and development, technology transfer and technology commercialization within provincial industries and individual business enterprises;
- (h) the provision of business information, counseling and financial support programs, and services to small and medium-sized enterprises; including private businesses, co-operatives, credit unions and community development corporations to stimulate economic and employment development within the province;
- (i) the negotiation and administration of comprehensive federal/provincial economic development agreements and other forms of collaboration;
- (j) a strategic approach to growth of the ocean technology cluster in Newfoundland and Labrador; and,
- (k) identifying and pursuing opportunities in the Arctic by capitalizing on the province's location, expertise and capabilities in operating in northern and harsh environments, further positioning Newfoundland and Labrador as a leader in Arctic-related activities.

VALUES

At BTCRD, every person supports the values of respect, service excellence, creativity, collaboration, communication and leadership.

LINES OF BUSINESS

BTCRD is responsible for the following lines of business that are relevant to its mandate:

Regional Development

Building upon natural economic regional clusters which exist or potentially can exist, as

well as strategic sector development, BTCRD focuses on the development and implementation of activities that will lead to enhanced or new business opportunities. The Department provides the necessary education and training, research and development, and industrial infrastructure to support regions, clusters, as well as growth and diversity in sector economies. Regional priorities are regularly identified and supported based on linkages to strategic sector and industry development. BTCRD works closely with industry, economic development groups, the Federal Government and other provincial departments to develop and implement ideas that support regional growth and diversification. BTCRD also provides supports to a diversity of initiatives in response to regional and industry downturns.

Tourism and Cultural Development

The Department works cooperatively with the tourism industry to foster sustainable high-quality products and experiences and to aid the development of a professional tourism sector. It provides accessible, timely, market intelligence to support the planning and continued growth of the tourism sector; and markets Newfoundland and Labrador as a tourism destination to national and international markets. The Department also seeks to protect, preserve, safeguard, interpret and promote the province's tangible and intangible cultural heritage while providing financial assistance to arts and heritage stakeholders who are working to support and sustain our dynamic and diverse cultural industries.

Small and Medium-sized Enterprise (SME) Development

SMEs are essential to the province's overall development and are integral to the growth of the provincial economy. BTCRD provides a broad spectrum of services and financial support to the SMEs developing and operating in the province. BTCRD delivers its programs and services to SMEs for business development; enterprise promotion; and export development and trade. The Department collaborates with public sector entities, industry associations, and private sector companies to help SMEs identify potential opportunities, assess initiatives, and navigate business processes.

National/International Business Development

The Department drives provincial economic growth by advancing trade and investment with national and international jurisdictions. It promotes its capabilities and strengths to provincial, national, and international audiences to benefit the clients. The Department encourages, promotes, and financially supports local firms that are seeking to expand their presence in international markets, explore new markets, and increase international business development activity. BTCRD supports and provides advice on increased transportation linkages and infrastructure expansion for business development. Outwardly, the Department proactively promotes the competitive

advantages of the province in target markets for the purpose of attracting national and foreign direct investment.

Innovation and Industry Development

To foster an innovative culture across all businesses and sectors, the Department partners with industry, labour, academia, research and development institutions, and the business community to emphasize strategic industry/sector growth by supporting projects that advance innovation, research and development, and commercialization activity. The Department's Oceans Branch supports development in the province's ocean technology sector, and furthers the growth of an innovative environment for business and technology. Overseeing the Provincial Government's Arctic Opportunities initiative, the Department works to position the province as the pathway to the Arctic by identifying opportunities for all stakeholders, building local knowledge and capacity, and creating international awareness about the province's Arctic expertise and capability.

BRANCH STRUCTURE

- Regional and Business Development
- Trade and Investment
- Tourism and Culture
- Innovation and Strategic Industries
- Ocean Technology and Arctic Opportunities

The Department is also supported by two corporate divisions:

- Communications Division
- Policy and Strategic Planning Division

OFFICE STRUCTURE

BTCRD's main corporate headquarters is located in St. John's and a second corporate office, responsible for portfolio management, is located in Marystown. BTCRD has five regional business and economic development offices, 16 local field offices, seven Provincial Visitor Information Centres (VIC), 12 Provincial Historic Sites (PHS), and six Arts and Culture Centres (ACC) to provide easy access to its programs and services throughout the province.

BUDGET

The total budget of the Department for 2014-15 was \$141 million; \$3.6 million for the Business Development Support Program (BDSP), \$9.2 million for the Regional Development Fund (RDF), \$15 million for the Investment Attraction Fund (IAF) and

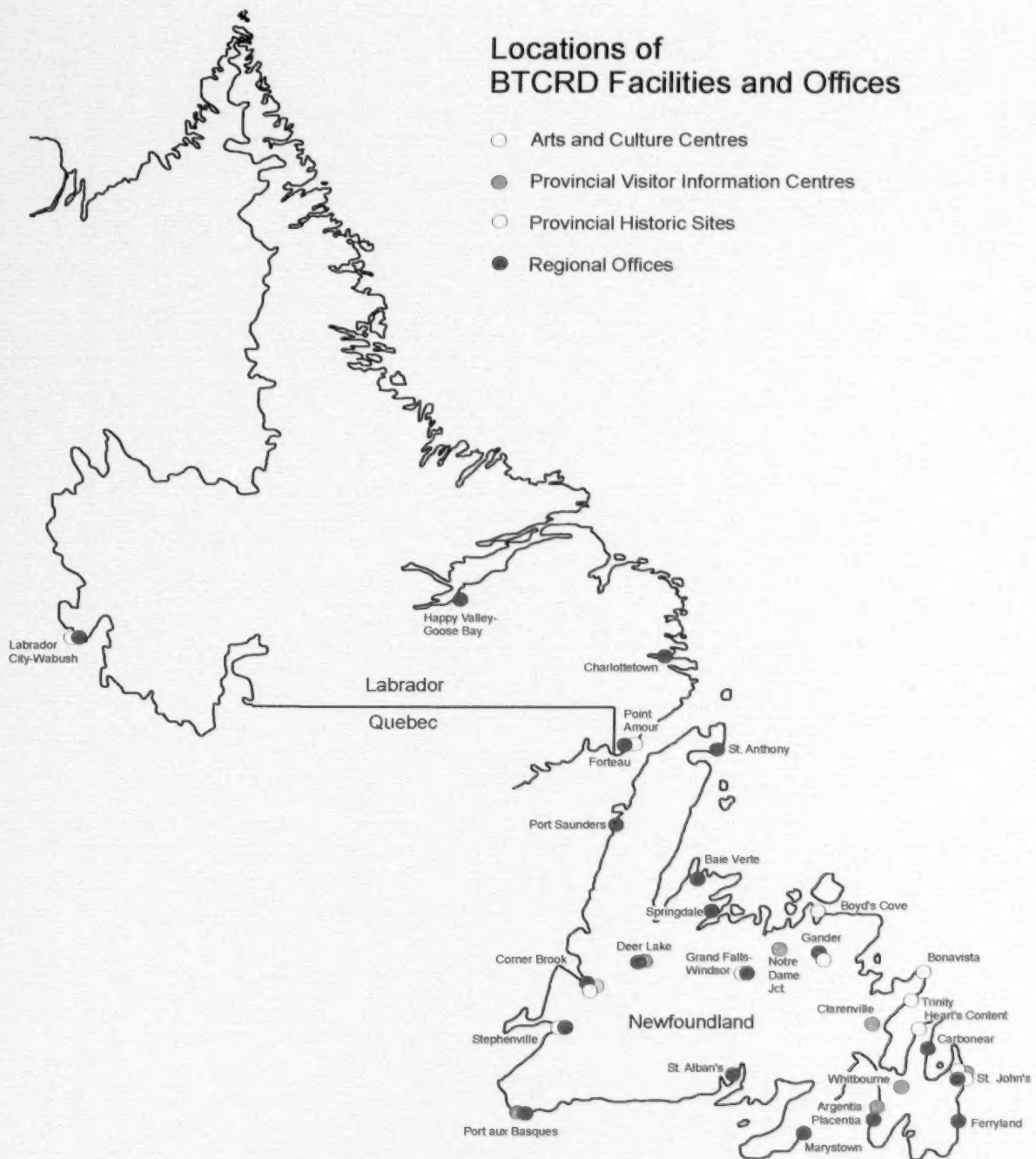
\$16.5 million for the Tourism & Culture Programs and Supports. The total budget also included the budget of various entities and crown corporations that report to the Minister of BTCRD. A detailed description of expenditures is found in Appendix 2.

BTCRD EMPLOYEES

Our employees play a critical role in delivering the Department's mandate and services, and engaging with the public, our partners and our stakeholders. As of March 31, 2015, BTCRD had a core staff of 247 as well as 42 seasonal employees and 124 casual call-ins. Of the 247 core staff, BTCRD has 137 female and 110 male employees. The staff distribution by region is, 173 in Avalon; 18 in Eastern; 13 in Central; 32 in Western and 11 in Labrador.

Locations of BTCRD Facilities and Offices

- Arts and Culture Centres
- Provincial Visitor Information Centres
- Provincial Historic Sites
- Regional Offices



HIGHLIGHTS AND ACCOMPLISHMENTS

BTCRD endeavors to make Newfoundland and Labrador a business and tourism destination of choice. Locally, nationally and internationally, our efforts demonstrate significant progress in all areas of our mandate and strategic directions, as outlined below.

World-wide Trade Initiatives. BTCRD's four International Trade Teams, representing the United States, Latin American/Caribbean, Western Europe and Asia-Pacific geographic markets, continued to assist local SMEs on trade missions, and through mentoring and training sessions, to take advantage of global business opportunities. BTCRD supported 83 NL-based clients (businesses and organizations) on international business development initiatives that promoted the province and its industries as a destination for investment. BTCRD's international business development activities included 22 national and international business missions and events with five inbound missions.

Key activities included:

- Providing support for the Mid-Atlantic Business Development Network mentoring program in order to assist SMEs increase productivity and improve competitiveness to take advantage of opportunities in Washington DC, Maryland, and Virginia.
- Counseling clients on the legal aspects of doing business in Brazil, executed on a mission to Navalshore 2014.
- Leading an international business development mission to Ireland with 24 local delegates. During the mission, SmartBay, the Fisheries and Marine Institute of Memorial University of Newfoundland (MUN), and SmartBay Ireland entered into a trans-Atlantic collaboration agreement, formalizing research and facilities-sharing.
- Leading an ocean technology trade mission around Oceanology China International - the premier exhibition for ocean technology in Asia. BTCRD also commissioned a report in 2014 on targeted opportunities that exist for local companies in the Zhejiang province, with which this province has an MOU, to be delivered to ocean technology companies in fall 2015, to help minimize risk and maximize efforts in the Chinese market.

Marketing Newfoundland and Labrador as a Destination of Choice. Through our multi-channel marketing campaigns in 2014-15, the Department continued to build destination awareness and interest, resulting in increased reach and engagement and continued growth, with over 500,000 in non-resident visitation. Successful campaigns in 2014-15 included:

- Dialects / Language Lessons, which led to 12,598 bookings with Air Canada and generated 16.1 million impressions, and led to nearly 415,000 engagements and 9,302 hours of video viewing.
- *Gros Morne Magic*, which resulted in over 33,500 visits to GrosMorneMagic.ca and more than 64,000 video views.
- NewfoundlandLabrador.com registered over 1.9 million visits and over 16,000 (+56% over 2013) referrals to tourism operators from business listings and over 27,000 (+38%) referrals from tourism operator package listings.
- Social media campaigns utilized unique Newfoundland and Labrador features and brand attributes, and increased interest in the province, with increases in Facebook likes, Twitter Followers and YouTube Subscribers between 57 to 59 percent over 2013.
- Newfoundland and Labrador Tourism Board was also first in Canada to co-op with tour operators to produce tour operator itinerary videos and testimonials for trade distribution, social media and training purposes.

Republic of Doyle. Provincial investment in the sixth and final season of Republic of Doyle resulted in a total equity investment of approximately \$16.6 million and a tax credit of approximately \$18 million. Filmed exclusively in Newfoundland and Labrador, Provincial investment resulted in total production activity of approximately \$128 million over the six years. This investment goes beyond just building on our film industry but also expands our reach into the international spotlight.

Film Festival Supports. The 25th annual St. John's International Women's Film Festival was supported by an investment of \$46,772. One of the longest running women's film festivals in the world, the 2014 festival attracted over 4,000 participants, received approximately 500 film submissions, and featured an interactive international film forum of keynote addresses, seminars, workshops and meetings. The 14th annual Nickel Independent Film Festival was supported by an investment of \$14,000 to screen quality independent films and to provide support for emerging writers, directors and producers. The five day festival ran from June 17 to 21 in St. John's, and included screenings, workshops and special events.

Support for the St. John's to Dublin WestJet Flight. WestJet's first ever transatlantic flight left St. John's on June 16th, 2014 beginning a St. John's to Dublin return route. BTCRD committed \$300,000 over a three-year period to promote this important milestone and in 2014, the service ran daily from June to October. Ticket sales on the day the new route was announced were the largest volume of first day sales for any new route in WestJet's history. The 2015 flights are scheduled to run from May-October 2015.

Path to the Arctic Campaign. By positioning the province as *the Path to the Arctic™* and the ideal staging ground for Arctic-related activities, BTCRD has created international awareness about the province's Arctic capabilities and expertise. BTCRD aggressively

promoted the province as an ideal location to host Arctic-related events and actively pursued those that would benefit local stakeholders and the economy. An international show of particular interest was the Arctic Technology Conference (ATC) - a worldwide platform for industry colleagues, vendors and academia to network, share ideas, and highlight research and cutting edge technology. A targeted campaign and promotion of the province as the Arctic Path at the conference led to the next ATC coming to St. John's in 2016.

OCEANS'14 Conference. Held in St. John's in September 2014, the OCEANS'14 Conference and exhibition ranked as one of the largest Oceans ever held in North America, ranking third to San Diego in 2013 and Seattle in 2010. It was one of the largest industry conferences ever held in St. John's, with 1,963 delegates, 155 exhibitors and 350 technical papers. Destination St. John's named OCEANS'14 as the 2014 Convention of the Year. The Department provided a tremendous amount of support to OCEANS'14 by contributing to the organizing committee, providing support for a local project manager and providing direct marketing support.

Advertising Awards. The *Find Yourself* tourism marketing campaign again proved itself successful in raising awareness of Newfoundland and Labrador as a vacation destination. The campaign won a second consecutive Canadian eTourism Award, this time for Best Online Campaign, and four 2014 Adrian Awards, presented by Hospitality Sales and Marketing Association International at an event in New York City. To date, the *Find Yourself* campaign has won a total of 227 international, national and regional advertising and marketing awards.

Increased Tourism Product Development and Quality Assurance. Advances in tourism product development and quality assurance have had widespread industry support and are driven by the pan-provincial Destination Development Plan (DDP) and the provincial Tourism Assurance Plan (TAP). Emphasis on increased product quality continued with the application of minimum standards for community museums and archives as a prerequisite for funding through the Cultural Economic Development Program (CEDP); increased cooperation between provincial and regional VIC to improve information sharing, consistency in quality of service, and enhanced ability to adapt to changing visitor needs; and increased visitor engagement through immersive and hands-on experiences at our PHS.

Provincial Historic Sites (PHS). Restoration of the Colonial Building continued in 2014-15, with a planned 2017 opening of the historic building as the PHS flagship, interpreting the political history of Newfoundland and Labrador. The Provincial Government also signed a long-term agreement with the O'Brien Farm Foundation to develop and manage the historic O'Brien Farm to commemorate the agricultural history of the province and the Irish settlement of St. John's.

Honour 100 Commemoration. As part of the Honour 100 initiative, a delegation from the province honoured the Newfoundlanders and Labradorians who fought and died in the Great War. The pilgrimage included wreath laying at the Menin Gate Monument in Ieper, Belgium, and at Beaumont Hamel, France, and at other sites along the Trail of the Caribou at Gueudecourt, Monchy-le-Preux and Masnières in France, as well as in Courtrai, Belgium.

UNESCO World Heritage Site at Red Bay. The Red Bay Basque Whaling Station was officially celebrated as a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site at Red Bay, Labrador, with the unveiling of Site Plaques on July 23, 2014, solidifying the importance of this site to the culture of our area.

Mistaken Point Ecological Reserve. BTCRD provided support for proposal development, Board and project management, and financial assistance to Mistaken Point Ambassadors Inc. (MPAI) - a not-for-profit advocacy group working on behalf of the Mistaken Point ecological reserve to develop a comprehensive World Heritage Status nomination package. In January 2015, MPAI submitted a comprehensive report to the World Heritage Council to have the Mistaken Point Ecological Reserve considered in the selection process, with the goal of becoming this province's next World Heritage Site in July 2016.

Business Retention and Expansion (BR&E) Initiative. The BR&E initiative is an internationally-recognized economic development approach by which existing local businesses are visited and interviewed to identify issues limiting retention and expansion. BTCRD completed 30 interviews and 25 follow-up action plans with business clients. In addition, a BR&E sector approach saw 44 interviews completed and 27 follow-up action plans provided to four sector groups including: the Eastern Destination Management Organization, Newfoundland Labrador Outfitters Association (NLOA), Portugal Cove St. Philips, and the St. John's Board of Trade.

Community Capacity Building (CCB). Through the CCB, BTCRD provided training support to non-profit organizations with a clear link to economic and business development, based on four themes - strategy and planning, relationship building, organizational skills and management, and co-operative development. In total, 67 CCB sessions were approved in 2014-15 including almost 1,300 participants.

Investment Attraction Fund (IAF). New investments made through the IAF provide direct support to a variety of sectors and have a significant positive impact on the provincial economy. Four projects with a projected value exceeding \$100 million were approved under IAF for D.F. Barnes Fabrication Limited, Eastern Composites, Verafin and RSA Canada. These projects are expected to generate approximately 690 new jobs and a \$200 million net economic benefit to the province; BTCRD provided a total of \$13.5 million of funding support.

Business Investment Corporation (BIC). It is mandated to direct the management of the investment portfolio of BTCRD and to administer new investments made by way of four funding programs: the Business Investment Program (BIP; former Small and Medium-sized Enterprise Fund), the BDSP (former Business Market Development program), the Fisheries Loan Guarantee Program (FLGP), in partnership with the Departments of Finance, and Fisheries and Aquaculture (FA), and the Shellfish Aquaculture Working Capital Fund (AWCF). During 2014-15, the corporation continued to make contributions to small business development in the province. The BIC reviewed and approved 22 applications for term loan and equity funding, approving \$3.3 million which levered additional funding from private and public business financing to help start or grow small businesses. BIC approved 204 grants with a value of \$2.3 million under the BDSP, assisting entrepreneurs and small businesses to pursue new ideas and markets for their products and services. The Board managed the collection of \$3.3 million and reinvested in the revolving fund. The FLGP reviewed and approved 11 loan guarantees for approximately \$8.8 million. At March 31, 2015, the investment portfolio of BIC consisted of 492 accounts with loans of \$25.5 million and equity of \$11.8 million, for a total of \$37.3 million.

New Venture Capital Funds. BTCRD invested \$20 million in Venture Newfoundland and Labrador and Build Ventures to help entrepreneurs access funding to grow their business. Venture Newfoundland and Labrador will provide funding to support new local start-ups and companies in the very early stages of their development. The Build Ventures Fund is a pre-existing privately managed Atlantic Canadian regional venture fund that supports early-stage companies which are able to generate enough cash flow to sustain operations.

Manufacturing Sector: Lean Leveraged Learning Networks. BTCRD facilitated the advancement of company competitiveness in the manufacturing sector through investments in training initiatives with five LEAN Leveraged Learning Networks. These networks reach over 50 firms in diverse regions of the province and sub-sectors of manufacturing. Results from BTCRD funded interventions have proven to be dramatic and, in many cases, transformational for the firms involved – production increases of over 50 percent were reported in many cases, resulting in the need to develop new markets for this increased capacity. Dramatically reduced delivery times, energy savings, shop safety and employee retention have all been reported as a result of these investments.

Life Sciences: Translational and Personalized Medicine Initiative (TPMI). The Premier and BTCRD officials joined with funding partners IBM and the Government of Canada to launch the TPMI - an unprecedented \$50 million health-care initiative led by MUN's Faculty of Medicine that will provide enhanced, personalized patient care through collaborative, multidisciplinary research. The project is comprised of three components: 1) a Centre for Health Informatics and Analytics, 2) a Translational Genetics Research Program that aims to improve individual patient outcomes in families affected by

genetic disease; and 3) a Quality of Care initiative, comprising applied clinical health research to inform future health policy as a means to decrease health care costs while improving service.

Information and Communications Technology: Interactive Digital Media (IDM) Tax Credit. BTCRD commissioned research to determine the current level of IDM activity in the province, examining among other things, national and international industry trends and opportunities. In collaboration with the Department of Finance, this work provided support for the introduction of a refundable IDM tax credit on eligible payroll in the province, building on the foundation BTCRD has been setting in the province for developing a successful IDM industry.

Aerospace and Defence Sector Development. The Department provided \$100,000 in support to the Aerospace and Defence Industry Association of Newfoundland and Labrador (ADIANL) to facilitate business opportunities. Last year, the Association's membership increased to over 35 members, adding 10 new member firms and organizations. The ADIANL also hosted the third annual Maritime and Arctic Security and Safety Conference in St. John's to promote the sector's expertise in harsh environment technologies; led a group of 12 local companies working to develop business opportunities to the U.S. Mid-Atlantic market; and developed a new partnership with the town of Happy Valley-Goose Bay to explore economic development opportunities.

Craft Sector: 2015 Provincial Wholesale Show. BTCRD continued its effort to build capacity in the local craft industry through targeted initiatives. At the 2015 Provincial Wholesale Show, exhibitors reported \$169,575 in orders, more than double the \$74,024 in orders at the 2014 show. The show was completely full this year as exhibitor numbers grew to 40, including seven new exhibitors.

Food and Beverage Sector Development. BTCRD partnered with other government departments and agencies to train food and beverage clients in the areas of exporting, marketing and food safety. Clients continued to work towards compliance with the pending Comprehensive Economic and Trade Agreement (CETA) so that they will be positioned to avail of new opportunities in export markets as they become available. BTCRD also worked with large multinationals, including Hannaford's (US) and Nestle (EU), to identify local clients with products of interest for the purpose of exporting and private labelling.

Developing the Province's Innovation Ecosystem. The Department provided just over \$250,000 to help the province's award-winning business incubator, the Genesis Centre, help technology start-ups commercialize their ideas. The Genesis Centre plays an important role in the venture capital system, serving as invaluable classrooms for entrepreneurs - speeding up the growth and success of start-up and early-stage companies.

Developing the Green Economy. The Department provided \$100,000 to the Newfoundland and Labrador Environmental Industry Association (NEIA) to facilitate, along with BTCRD, the growth and development of Newfoundland and Labrador's green economy. Last year NEIA undertook a number of initiatives to support the development of business opportunities for the environmental sector, including hosting its annual Newleef conference that explored business opportunities. NEIA also led an Innovation and Commercialization Initiative to work with firms, educational institutions and government agencies to increase the level of innovation within the province's green economy.

Support for Youth Innovation. Encouraging the next generation of innovators, entrepreneurs and problem solvers through an annual call for Youth Innovation proposals – the Provincial Government provided \$400,000 to 32 organizations and school to support young people and their access to and engagement in science, technology and engineering learning opportunities.

Arts and Culture Centres. ACC continued to significantly contribute to the creative and social well-being of community members and served as places of creation, social interaction, and the intersection of artistic disciplines and segments of the community and other organizations. In 2014-15, the ACC provided a diverse selection of exceptional performances for audiences of all-ages, with 600 performance nights across the six centres, all of which experienced increased usage by the community.

Corner Brook Harbour Front Investment. The Corner Brook Port Corporation (CBPC) has a multi-phased strategy to undertake substantial infrastructure improvements to the Corner Brook harbour front. BTCRD has been providing ongoing assistance with the implementation of the strategy and has provided \$1.4 million to the CBPC for the refurbishment of an existing marine fabrication facility - a project with an overall value of \$4.2 million.

Rural Broadband Initiative (RBI). The Provincial Government exceeded its goal of having 95 per cent of the province covered by broadband access. In fact, following the implementation of projects announced in 2014-15 under the third phase of RBI, 98 per cent of the province's population will have access to broadband service. The Department continues to work with carriers and partners to find innovative wireless solutions to connect even more of the province's population, including through the use of cellular technologies.

SHARED COMMITMENTS

Business, tourism, cultural and regional development is achieved through effective partnerships and collaboration. Each year, BTCRD is a committed partner working with all levels of government and multiple stakeholders on initiatives designed to positively impact the provincial economy and create culturally-rich communities. The importance of collaboration is clear – it leads to comprehensive strategies and increases the ability to leverage resources from partners, increasing the overall scope and value of projects. It is also a crucial part of the Department's ability to progress on its strategic issues and directions.

BTCRD partners with its Federal Government counterparts such as the Atlantic Canada Opportunities Agency (ACOA), Industry Canada, Foreign Affairs, Trade and Development Canada, Canadian Tourism Commission, Canadian Heritage and the National Research Council and others to ensure comprehensive services to its clients. BTCRD also collaborates with provincial, territorial and municipal governments, agencies, secretariats, boards, councils and educational and research institutions.

Regional Development. With respect to regional development, BTCRD partners with municipalities, community-based not-for-profit and economic development organizations, industry organizations, social enterprises, as well as Provincial and Federal departments and agencies, to develop regional capacity and infrastructure required to attract investment, stimulate trade and export activity, identify and capitalize on regional opportunities, and nurture emerging industries.

Through BTCRDs Community Capacity Building Program, the Burin Peninsula Joint Council shared their experience about how to form a Regional Joint Council with seven municipalities on the Bonavista Peninsula to help solidify local commitment to improve service through regional cooperation.

In response to the idling of Cliffs Iron Mine in Wabush and the economic uncertainty in Labrador West, BTCRD participated on an interdepartmental Deputy Ministers Committee led by the Department of Advanced Education and Skills (AES) to develop an Action and Engagement Plan with the Department of Municipal and Intergovernmental Affairs (MIGA), Labrador Relations Agency, Labrador and Aboriginal Affairs Office, Department of Natural Resources (NR) and Department of Environment and Conservation and other stakeholders including municipalities, business, community organizations and ACOA.

BTCRD is a member of the steering committee to oversee the Gros Morne Cultural Blueprint - an initiative which seeks to enhance the cultural tourism offerings in Gros Morne National Park, and to develop new partnerships with major cultural providers in the region to share venues and engage in joint marketing.

Through the partnership between BTCRD and the Newfoundland-Labrador Federation of Co-operatives (NLFC), guided by a five-year Memorandum of Understanding, and an annual work plan, the BTCRD/NLFC Regional Developers Network implemented co-op development throughout the province.

In conjunction with Destination St. John's, BTCRD invested in the expansion of the St. John's Convention Centre in order to meet increasing demand for meeting and convention facilities.

BTCRD partnered with industry, other government departments and agencies, academia, and aboriginal groups to further develop the Arctic Opportunities Initiative. The Department's focus was strengthening relationships with other northern jurisdictions such as Nunavut and Greenland. In addition, relationships formed with the federal government and participants on the Arctic Economic Council enabled BTCRD to provide input on furthering economic initiatives in the Arctic.

Business Development. In an effort to grow the business community, BTCRD works closely with industry associations, business clusters, and other sector stakeholders to develop and provide targeted sector and firm-specific funding and support services to SMEs, which drives the provincial economy in terms of both revenues and employment.

BTCRD worked with the AES and officials from other Atlantic Canadian provinces to advance priorities of the Atlantic Workforce Partnership, created by the Council of Atlantic Premiers in 2012 to strengthen regional cooperation and to address skilled workforce issues including workforce development, certification, standards, labour mobility, skills training, immigrant recruitment and retention, supply chain issues, and apprenticeship.

BTCRD in consultation with the Departments of Finance, and FA managed the FLGP. The FLGP supports Province's independent fish harvesting sector by providing loan guarantees up to \$3.0 million, providing an opportunity for harvesters to reduce or eliminate their dependence on processors for financing. Since inception, the Provincial Government issued 687 loan guarantees valued at \$262.8 million. In fiscal 2014-15, the Provincial Government issued 11 guarantees valued at \$8.8 million. The program was enhanced in 2012 to assist in renewal of the industry. The enhancements responded to harvesters needs by making financing more accessible to harvesters, assisting new entrants in the industry, and supporting rationalization through the Combining of Enterprises. The Department ensures effective management of the loan portfolio by adapting to changes within the fishing industry and therefore regularly consults with officials of both Fisheries and Oceans Canada and FA.

BTCRD partnered with the Newfoundland and Labrador Association of Technology Industries to support *Outsmart* – a project designed to enhance the international

marketing capability of five technology companies. Each participating company received the opportunity to improve their online productivity, receive a detailed plan for their international market development as well as technical assistance for three months after the project to ensure success.

In cooperation with the Research and Development Corporation (RDC), ACOA, MUN and sector agencies, the Department facilitated dialogue that led to an agreement and a guiding document for a Research and Enterprise Collaboration initiative between NL and Ireland. The primary objective is the joint development of our ocean technology sectors and a shared Business Accelerator. This initiative is an economic bridge between NL and Ireland that is based on joint research, shared assets and a unique program of enterprise development.

An Export and International Business Support network consisting of 26 companies in the environmental sector worked together to identify specific opportunities in the Caribbean and developed individualized market entry plans to take advantage of regional opportunities. Key markets common to the majority of participating firms include Barbados and Trinidad & Tobago. In February, 2015 the first mission to the region was undertaken and was so successful that a follow-up mission is taking place in June 2015.

BTCRD led a cross-government Committee to analyze trade and investment opportunities between China and Newfoundland and Labrador with insight as to what has been successful and where challenges and barriers exist. This Committee is comprised of FA, NR, AES and MIGA. This analysis will be used in 2015 to create a provincial China trade strategy.

BTCRD is an active partner with the province's craft industry. The Department took a lead role this year as board member of the Atlantic Craft Alliance to plan, support and host the Atlantic Craft Trade Show (ACTS) and the Alliance's Annual General Meeting. Departmental Craft Sector Specialists were members of a steering committee for the International Fibre Arts 2015 Conference planned for Gros Morne in October 2015. As a board member for the Anna Templeton Centre, BTCRD provided support to the Colleague's Textile Studies Program. The Department also provided support and governance to the Quidi Vidi Plantation (a craft incubation facility owned by the City of St. John's).

The Department worked with all levels of government and provincial representatives from the Atlantic Provinces and industry to support International Business Development Agreement activities designed to help stakeholders broaden their market reach through international trade shows and conferences such as Oceanology, Ocean Business and OCEANS. In 2014, the Department helped organize the OCEANS'14 planning committee comprised of government, academia, industry and association partners.

Tourism and Cultural Development. Supporting tourism and culture, the Department worked with stakeholders in 2014-15 to market Newfoundland and Labrador as a tourism destination; to support tourism product development; to protect and preserve tangible and intangible culture; and to promote cultural industries. Many of these activities were undertaken in cooperation with federal, provincial, municipal and Nunatsiavut governments and with agencies, the private sector, as well as volunteer, economic development, tourism, heritage preservation and cultural groups and stakeholders.

BTCRD worked with the Newfoundland and Labrador Tourism Board, which is composed of government and industry representatives, to implement the seven strategic directions of *Uncommon Potential: A Tourism Vision for Newfoundland and Labrador* (2009); and annual priorities. In 2014-15, the Department also engaged with Destination Management Organizations (DMO) to reduce duplication, build on the provincial brand, further engage industry and partners and work to develop authentic, market ready tourism products and experiences. These coordinating efforts expanded marketing opportunities; increased regional content on NewfoundlandLabrador.com; unified Newfoundland and Labrador presence at trade and consumer shows and coordination of travel media and travel trade familiarization tours to the province.

Working with tourism industry stakeholders such as the Cruise Association of Newfoundland and Labrador, Hospitality Newfoundland and Labrador (HNL), the Newfoundland and Labrador Snowmobiling Federation, the NLOA, and the Marble Mountain Development Corporation, BTCRD worked to diversify product development, enhance service quality and develop multi-seasonal opportunities. Such efforts included the Tourism Assurance Plan, which came into effect in January of 2015 and resulted in communications and training efforts that were undertaken in coordination and cooperation with HNL and the DMOs to ensure maximized participation by the tourism industry operators. Likewise, and in cooperation with HNL and the DMOs, BTCRD conducted a pan provincial Destination Development Project to assess visitor appeals and to identify new product development opportunities in all regions of the province.

In cooperation with ACOA, BTCRD also partnered with the NLOA to implement a three year comprehensive marketing strategy for the hunting and angling product experience in Newfoundland and Labrador. The strategy included a multi-media advertising campaign in key target geographic markets, unified Newfoundland and Labrador presence at consumer shows, and outfitter training in service quality, market readiness and sales and marketing.

BTCRD worked with the Heritage Foundation Newfoundland and Labrador (HFNL), the Association of Heritage Industries, the Museum Association of Newfoundland and Labrador, and the Association of Newfoundland and Labrador Archives to preserve, strengthen and celebrate tangible and intangible heritage; and the Newfoundland and Labrador Arts Council which provided support to artists and arts organizations; the

Newfoundland and Labrador Film Development Corporation; and Music Newfoundland and Labrador to support the cultural industries in the critical areas of film, video and music. Examples of these cultural activities included work with provincial heritage organizations to implement minimum standards for the operation of community museums and archives, with a major focus on providing training and advice to community heritage institutions. Work also continued with the Department of TW on the restoration of the Colonial Building and the development of interpretive components on the political history of the province to be housed in the historic structure.

Through the Provincial Archaeology Office (PAO), BTCRD protected the province's tangible cultural heritage and significant paleontological resources in accordance with *Historic Resources Act*. This regulatory review work included the cooperation of provincial government departments, the Nunatsiavut Government, Aboriginal groups, municipalities and stakeholders. The Department also continued to support a ground-breaking research initiative of MUN's Geography Department to better monitor and address the impacts of climate change on archaeological resources in coastal areas. Through its Directed Research Program the PAO investigated Beothuk archaeological sites along the Exploits River to better document, mitigate and preserve these important sites.

BTCRD actively participated in the Federal- Provincial- Territorial (FPT) Culture Ministers' table, sitting on and, in some cases, co-chairing two working groups: Cultural Engagement and Incentives for Built Heritage Preservation. Outcomes of this work included the successful completion of a three-year pilot initiative to reinvigorate the National Heritage Fair program; an agreement by all provinces and the Federal Government to enter into discussions in their respective jurisdictions on financial incentives to support built heritage preservation; the release of a national report on Gross Domestic Product (GDP) contributions of culture. From this work, the province has taken a lead role in promoting national cultural initiatives to commemorate Canada's 150th anniversary in 2017.

The ACC serve as a hub of activity in their communities and worked with over 120 presentation and community partners in 2014-15. The ACC have an ongoing relationship with the Department of Canadian Heritage through its Canadian Arts Presentation Fund, which helped to support presentation and touring activities throughout the year.

The Department led the development of a memorial built on Quidi Vidi Lake - unveiled in October 2014, to victims of offshore helicopter crashes in conjunction with the City of St. John's, the offshore oil industry, and with the active participation of and consultation with families of victims.

REPORT ON PERFORMANCE: STRATEGIC ISSUES

Complementing the major highlights and accomplishments and shared commitments in this report, this section discusses key initiatives and projects in fiscal year 2014-15 that addresses the progress on BTCRD's issues that were outlined in the 2014-2017 Strategic Plan. The five strategic issues are listed below.

- ❖ Business Development
- ❖ Regional Development
- ❖ Further Strengthening Partnerships in Tourism
- ❖ Commemorating the Centenary of the First World War and Honouring Veterans
- ❖ Supporting the Status of Artists

This section also addresses the progress on the Provincial Government's strategic directions. The strategic directions of BTCRD are:

- ❖ Regional Development, Business and Industry Support
Outcome Statement: Diversified and strengthened regional economies
- ❖ Trade, Investment Development and Business Promotion
Outcome Statement: Increased trade, investment development and business promotion
- ❖ Strengthening Partnerships in Tourism
Outcome Statement: Support for the achievement of quality and market-ready, in-demand tourism products and experiences
- ❖ Strengthening and Growing Our Culture
Outcome Statement: A strengthened cultural sector that preserves our tangible and intangible heritage, celebrates our creativity, and grows our cultural enterprises.
- ❖ Innovation
Outcome Statement: Supported an innovative culture
- ❖ Ocean Technology and Arctic Opportunities
Outcome Statement: Identified and facilitated ocean technology and Arctic opportunities

ISSUE 1: BUSINESS DEVELOPMENT

In support of the Provincial Government's strategic directions of (1) Regional Development, Business and Industry Support; (2) Trade, Investment Development, and Business Promotion; and (3) Innovation, the Department supported business development initiatives by utilizing an opportunity management (OM) process to assist local firms with their business and marketing endeavors at home and abroad.

The Department delivered programs to support local firms' strategies to increase revenue, hire more workers, and expand market reach, all resulting in the generation of economic wealth in the province. In particular, through the Department's Business Retention and Expansion initiative, staff worked with clients to identify their strengths and challenges and matched them to growth opportunities. In the area of supplier development, staff helped companies connect to exclusive business opportunities in local supply chains.

To support the growth of its thriving innovation and entrepreneurial ecosystem, the Department provided significant funding to organizations in the province that support early stage business ideation, incubation and acceleration services – services that connected high growth potential firms with venture capital opportunities and increased their competitiveness. BTCRD also worked with industry associations to explore business opportunities and increase the level of innovation activity within the province's green economy.

BTCRD closely worked with its internationally-focused business clients on a daily basis to guide them through the various complexities of conducting business on a global scale. BTCRD helped its clients avail of global business opportunities by assisting them to research markets, and to plan and implement growth strategies that leveraged their business strengths. BTCRD has been consistent in advancing the province's international business development agenda by providing companies with greater access to existing markets, providing intelligence and opportunities to expand into new markets, and tax incentives.

The Department also educated the business community of the opportunities created by domestic and international trade negotiations. BTCRD's representation during domestic and international trade negotiations will ensure improved conditions for international business development by increasing market access, easing regulatory barriers, and guaranteeing more transparent rules for the flow of goods, services and investment.

Goal 1: By March 31, 2017, BTCRD will have supported business development initiatives/activities in all regions.

Objective (2014-15): By March 31, 2015, BTCRD will have supported business development through opportunity identification and management.

Measure: Business development supported

Indicator 1: Identified and advanced provincial interests through domestic and international trade negotiations

BTCRD was actively engaged in domestic and international trade negotiations through its participation in negotiating rounds with provincial and federal counterparts. BTCRD officials tried negotiating international and domestic trade agreements to ensure the development of a negotiating text that would provide the highest standards in consumer and environmental protection while increasing regulatory co-operation in order to enhance quality job creation and growth. Throughout the process, officials from BTCRD worked with their respective counterparts to identify opportunities that would promote economic development in Newfoundland and Labrador.

BTCRD advanced these interests and opportunities, until a trade dispute resulted in the Provincial Government withdrawing its participation. The Provincial Government has since re-engaged in internal trade negotiations at the request of other provincial and territorial governments.

Indicator 2: Facilitated the business development opportunities that stemmed from regional, national, and international agreements

BTCRD hosted an incoming mission from the Government of Zhejiang Province in September 2014, a visit which brought senior Chinese officials together with provincial delegates to better understand the business opportunities that exist between the two regions.

The Department met with Bombardier to facilitate the international business agreement with the province and explore ways to engage local companies.

In preparation for the CETA Agreement, the Department supported and facilitated several training initiatives that helped prepare local companies interested in the European market.

The Department worked with all levels of Government and representatives from the Atlantic Provinces and ocean technology industry to advocate for participation in international shows and conferences to help stakeholders broaden their reach.

Conferences and trade shows included Oceanology, Oceanology China, Ocean Business and OCEANS.

Indicator 3: Invested in business development initiatives

BIC reviewed and approved 22 applications for term loan and equity funding, approving \$3.3 million which levered additional funding from private and public business financing to help start or grow small businesses.

BIC approved 204 grants with a value of \$2.3 million under the BDSP, assisting entrepreneurs and small businesses to pursue new ideas and markets for their products and services.

Significant investments were made through the IAF to support business development in the province. These investments directly supported new developments in a variety of industries including Information & Communication Technology, Insurance, Oil & Gas, and Manufacturing & Processing. It is anticipated the projects funded by the IAF in 2014-15 will generate approximately 690 new jobs in this province and result in a net impact of \$237 million to the provincial economy over a five-year period.

The Department assisted companies by working closely with them to determine possible financing options as well as advising them on commercialization, marketing and suitable international markets for their company and products. The Department also provided sector-specific expertise, training, and networking opportunities for clients' mutual benefit.

Indicator 4: Utilized Business Retention and Expansion (BR&E) analysis to identify opportunities for businesses

BTCRD's BR&E diagnostic provides an in-depth counseling tool, including a client interview and development of an action plan, to help business clients identify issues and opportunities that directly affect their competitiveness. The issues uncovered often require recommendations beyond just referrals to funding programs. This can include identification of training needs, market and product development, information session, and operational needs. More than 70 companies went through the BR&E diagnostic process in 2014-15, with individual business action plans developed to address opportunities and overcome challenges.

BR&E was used as a tool to assist clients in the following ways:

- Sector analysis was used to inform a three-year tourism industry association-led skills development initiative.
- Analysis revealed that a business client possessed several potentially early-stage innovative products, and in response BTCRD conducted market research to

determine market potential.

- Analysis connected clients to a buyer/seller networking session that linked clients, farmers, processors and retailers, enabling them to better understand market opportunities.
- Provided clients with information on programs and resources to address various training needs related to supervisory, financial, food preparation and tourism guides.
- Analyses helped identify operational needs and funding resources to address business expansion needs related to new infrastructure and equipment and to conduct a needs assessment related to green energy technologies.
- The aftercare component of BR&E provided an opportunity to build lasting relationships with clients to provide them with advice in areas such as how to explore new target markets and training needs. In addition to BTCRD's suite of programs, these clients were connected with other resources such as business-to-business expertise in areas of website development, research resources, other lenders, and funding through other government programs such as the Canada/NL Job Grant.

Indicator 5: Continued identification of supplier development opportunities

The Department continued to assist clients with identification of supplier development opportunities. Activities undertaken in fiscal 2014-15 are listed below.

The Lower Trinity South Development Association identified a need to provide community-based training on opportunity management, including proposal writing, potentially leading to new business opportunities for participants on supply chains. With funding assistance from the Community Capacity Building Program, the Association partnered with BTCRD staff to deliver sessions on each of these modules. These training workshops benefited a number of community development groups, municipalities, and local service districts in the area served by the Association.

BTCRD partnered with the Burin Peninsula Chamber of Commerce to identify supplier development opportunities associated with the fabrication of the drilling support module for the Hebron project and the mining taking place in the St. Lawrence area.

Partnered with NR to host a Service Providers Forum and Procurement session during Mineral Resources Review 2014 in St. John's - the largest mineral industry conference and trade show in Eastern Canada.

Worked in cooperation with Damen Shipyard on supply chain opportunities with local companies, stemming from the awarding of the recent ferry contract to Damen Shipyard of the Netherlands. This resulted in two industry information sessions and one-on-one meetings between local companies and Damen officials. BTCRD in partnership with Damen, ACOA, and the Canadian Manufacturers and Exporters also organized and participated in a Netherlands trade mission with eight local companies interested in pursuing opportunities in the shipbuilding supply and service industry.

BTCRD presented at the CBDC (NorTip) event in October on supplier development and industrial benefits which was attended by several west coast companies.

BTCRD delivered a supplier development presentation at the Placentia Area Chamber of Commerce Industrial Showcase in October 2014 and at the Baie Verte Mining Conference in June 2014.

Indicator 6: Commenced the development of the Innovation Action Plan (IAP)

BTCRD commenced the activities for the IAP. The IAP is a follow-up to the Provincial Government's Innovation Strategy. Dialogue began around the scope of the Department's IAP including determining the requirements to deliver a Plan in 2016. The specific parameters will have to be determined during the development of the plan.

Indicator 7: Identified, analyzed, and pursued market opportunities

BIC approved 204 applications for funding with a value of \$2.3 million under the BDSP. These grants assisted entrepreneurs and SMEs pursue new business ideas and new market opportunities for their products and services. Approvals were made under five program components: Productivity Improvements - \$488,129; Knowledge Development - \$4,934; Market Development - \$1,355,838; Professional Technical Advice - \$4,262; and, Travel Stipends - \$474,150.

BTCRD supported 83 NL-based clients (businesses and organizations) on international business development initiatives that promoted the province and its industries as a destination for investment.

BTCRD's international business development activities included 22 national and international business missions and events with five inbound missions; 73 outreach sessions that included training, information and networking; and five sector specific projects undertaken in collaboration with industry associations and Federal Government partners.

The missions, both sector-specific and multi-sector, have supported companies within various growth sectors including Ocean Technology, Oil and Gas, Education, Aerospace

and Defence, Supplier Diversity, Film and Television, Music, Digital Media, Advanced Manufacturing, ICT, Professional Services, Food and Beverage, Mining, and Financial.

The Department organized a Chinese energy investment mission to St. John's in October 2014, in partnership with The Department of Foreign Affairs, Trade and Development, and the Chinese Embassy in Ottawa that explored investment opportunities in offshore and related energy developments.

BTCRD and NR continued to attract foreign investment into the mining sector through four events located in China, Quebec, Ontario and British Columbia. These events provided local mining companies a platform by which they could highlight their investment opportunities to international audiences.

BTCRD commissioned a report on the Ocean Technology opportunities that exist for local companies in the Province of Zhejiang, China, to be delivered to ocean technology companies to prepare them for an upcoming Oceanology Shanghai mission in November 2015.

BTCRD connected craft producers to market opportunities such as the Provincial Craft Wholesale Show and Wholesale Guide (40 exhibitors); the incubator booth at the ACTS (six exhibitors); Craft Alliance export activities; and linking the Bonavista Cultural Craft Group with producers throughout the province.

As part of its role in growing and diversify strategic sectors, the Department provided mentoring and business counselling for companies and industry associations engaging and navigating global supply chain opportunities; pursuing opportunities for technology transfers; marketing their capabilities in national and international markets; and protecting their intellectual property. For example, the Department prepared and led several company delegations to national and international industry events including: CANSEC, Canada's premier defense trade show; and the Canadian Defence Aerospace and Security Exhibition Atlantic.

BTCRD has been continuously engaged in market analysis and opportunity identification for its ocean technology clients and providing funding to support companies to participate in events in the European Union, United States, China, and Brazil.

Indicator 8: Supported sector development by utilizing Opportunity Management (OM) & BR&E processes

The OM process supported the tourism sector in its DDP process. By developing and designing new processes and tools, the OM tourism-centric customized approach was used to guide tourism operators, all regional DMOs, BTCRD, HNL, and ACOA in identifying opportunities in each region and the province. This approach was used to

prioritize and enhance collaboration with tourism partners and stakeholders in their product, market and experience development efforts. More than 80 stakeholders from various businesses and organizations participated in workshops in Ferryland, Marystown, Cupids and Port Union.

BR&E played a support role to the OM process to help organizations and municipalities target and focus on key and relevant initiatives to meet their objectives. Some examples of this include:

- The final Co-op sector report helped inform an NLFC Annual General Meeting Opportunity Identification discussion where two major initiatives were identified. This included (a) Training Plan Development and Implementation and (b) Marketing and Membership Recruitment/Retention.
- The sector analysis of tourism-related businesses was used to inform an industry association-led initiative to educate and improve tourism industry operations over a three-year period. This led to the development of a Skills and Knowledge proposal by HNL.
- The Eastern DMO is currently developing a DDP. The information collected from their member participation in a BR&E will help in their understanding and knowledge of priority initiatives identified and to improve decision making.
- NLOA members participated in a BR&E. The NLOA is currently conducting a strategic planning process in which BTCRD helped facilitate the early stages. Preliminary BR&E data was used to inform discussions and decision making on where to focus their energies and resources.

BR&E was implemented with the St. John's Board of Trade (BOT) and its members. A final report will be prepared and used in concert with an OM process that will allow the BOT to enhance its relationship building with members.

With the goal to improve and develop our tourism assets, BTCRD in partnership with Tourism Board members have invested heavily in the Tourism DDP process and engaged stakeholders to ensure provincial priorities can be implemented and has been a centerpiece of stakeholder activities. Final reports were completed in three regions (Eastern, Labrador, Western), and BTCRD is undertaking a customized OM process in each region to prioritize the recommendations and initiatives resulting from phase I of the DDP process.

Indicator 9: Commenced the development of a green economy plan

BTCRD continued to work with the Office of Climate Change and Energy Efficiency to deliver a plan that will focus on *greening* activities and initiatives that encourage business and economic growth in strategic sectors. As the lead, BTCRD has engaged the Departments of Transportation and Works; Municipal and Intergovernmental Affairs; Environment and Conservation; Advanced Education and Skills; Fisheries and Aquaculture; Natural Resources; and the Multi-Materials Stewardship Board.

Further work on this plan included the launch of the website www.nlgreeneconomy.ca, evaluation of diagnostic tools, inclusion of green initiatives in BTCRD funding programs, and consultation with industry players on *green* issue advancements, including NEIA and the Canadian Manufacturers and Exporters.

Objective (2015-16): By March 31, 2016, BTCRD will have provided support to strengthen business capacity.

Measure: Business capacity strengthened

Indicators:

1. Invested in business development initiatives
2. Developed and implemented business support initiatives, including BR&E processes
3. Invested in the start-up and expansion of firms in emerging growth sectors
4. Invested in firm-level innovation and productivity enhancements
5. Furthered the development of an Innovation Action Plan
6. Commenced the development of a Trade and Investment Strategy
7. Provided counseling, mentoring support, and skills development and training, to trade clients and other business and industry stakeholders to improve their access to market opportunities
8. Initiated the development of a new Ocean Technology Sector Strategy

ISSUE 2: REGIONAL DEVELOPMENT

In support of the Provincial Government's strategic directions of (1) Regional Development, Business and Industry Support; and (2) Ocean Technology and Arctic Opportunities, BTCRD supported initiatives with a focus on regional development. Support provided by BTCRD was driven by the goal of diversifying and strengthening regional economies. Our involvement in research, facilitation, client counseling, industry and community building, and delivery of financial and non-financial supports, were the key driving supports of daily regional and business development activity.

Regional development priorities were identified and supported based on linkages to sector development. BTCRD profiled sectors with growth potential which led to the identification of opportunities and development of initiatives to advance these strategic sectors. The Department took an outward-looking approach by researching sector trends and innovation initiatives in other jurisdictions to identify best practices that could potentially be applied to sectors in Newfoundland and Labrador. Companies within these sectors who are located throughout various regions of the province then became the primary beneficiaries. Ultimately, BTCRD focused on the development and implementation of activities that led to enhanced or new regional business opportunities and development, and supported an entrepreneurial and innovative culture throughout the province.

Investment in communications and improved connectivity is crucial to regional diversification and the Provincial Government's investments in telecommunications have helped to fuel growth in the province's strategic sectors such as ocean technology, tourism and culture, information and communications technology, aerospace and defense, and life sciences. Business and regional development depend upon affordable and immediate access to reliable broadband. The province has significantly invested in building this infrastructure not only for diversification but to also instill business competition. Competition helps keep service levels high and maintain a stable cost for consumers.

BTCRD continued to partner with the Nunatsiavut Government and other Aboriginal groups on the Arctic action plan that supports business and economic development in the Arctic region, creates an environment whereby stakeholders can benefit from emerging opportunities, northern communities can thrive, and that will attract global industry leaders.

Goal 2: By March 31, 2017, BTCRD will have supported regional development initiatives/activities.

Objective (2014-15): By March 31, 2015, BTCRD will have implemented opportunity identification and management (OM) processes for regional and industry development.

Measure: OM processes implemented

Indicator 1: OM processes conducted with clients and stakeholder groups

OM processes were conducted with clients and stakeholder groups who participated in six CCB OM processes with 162 participants across the province. In addition to the CCB OM processes, an OM/Destination Development planning process began with Legendary Coasts of Eastern Newfoundland, reaching 81 participants in four OM sessions.

BTCRD supported the Town of Arnold's Cove through the CCB Program as they updated their Vision 2020 Strategic Plan and identified new opportunities for growth.

Marble Mountain Development Corporation and the Western Newfoundland DMO partnered to undertake a consultant based consultation and strategy to examine private sector opportunities in the resort base area. BTCRD played key role in pre-planning processes and terms of reference development.

Regional staff undertook several engagement strategy sessions with various municipalities including Deer Lake, Pasadena, Corner Brook and Massey Drive.

Northern Peninsula-based staff has been instrumental in forging together a group of key community stakeholders and devising a series of community-based strategic opportunity identification sessions. These sessions demonstrated the need for additional capacity building in the region, resulting in the initiation of comprehensive proposal writing and planning workshops.

These and similar sessions have been instrumental in spinning off key initiatives such as the Northern Peninsula East Heritage Corridor initiative - a multi-phase development with phase one consisting of a developed trail system to link the six communities in this region.

Indicator 2: Developed additional tools to support OM

Developed and designed additional tools to guide stakeholders through the OM process. This included the modification of the existing Initiative Charter template used during the opportunity identification phase of OM. In addition, new templates were created to sort

large reports into smaller, workable versions. Also, new visual tools and processes were developed to assist organizations.

BTCRD's Eastern Region used electronic tools to capture key messages at meetings that helped organize and record group ideas, documents, and planning processes in real time.

Indicator 3: Projects implemented as a result of OM processes

The goal of the OM process is to identify, prioritize, implement and drive projects in economic development. Projects implemented in 2014-15 as a result of the OM process include:

- The Town of Red Bay determined which project would be the best to implement in the next 6-12 months for the Red Bay National Historic Site and UNESCO World Heritage Site. Through a collaborative OM process, the steering committee decided to move forward with a Way Finding signage project.
- The Burin Peninsula Chamber of Commerce (BPCC) identified several membership initiatives. Following the OM process, BTCRD supported the BPCC in implementing a supplier development initiative and another which focused on training for its members.

Indicator 4: Facilitated improved access to telecommunications infrastructure

This year, under the RBI's third call for proposals, BTCRD announced funding of \$4.6 million to support access to broadband service for an additional 102 communities. Since 2003, the Provincial Government has invested over \$34 million in broadband infrastructure. To date, this investment has leveraged more than \$121 million from other sources, for a total investment of over \$155 million.

Indicator 5: Completed regional development profiles

A regional development profile template was developed, utilizing various data tools such as Community Accounts. It can be adapted depending on the intended purpose, allowing the development of profiles that are tailored to specific regions.

Profiles have been developed for regional development activity in multiple regions using the template. The template will be kept up to date on an ongoing basis, with engagement of other branches and incorporation of linkages with OM processes.

Indicator 6: Identified sector priorities

BTCRD identified its sector priorities through an internal process where teams were created to develop sector profiles. The results of these profiles helped staff to develop

appropriate strategies to focus the Department's sector development work.

Indicator 7: Advanced Provincial Arctic Initiative

The Department advanced the Provincial Arctic Initiative by forming a Deputy Ministers Committee and working group which proposed the development of three strategic directions under the Arctic Opportunities Action Plan: (1) positioning Newfoundland and Labrador as the path to the Arctic by promoting our unique strengths and capabilities; (2) building physical infrastructure, supporting research, and enhance development capacity; and (3) fostering new business opportunities that will maximize the benefits among business, academia, government and Aboriginal communities.

Indicator 8: Invested in research initiatives

The intent of BTCRD's research initiatives is to explore opportunities for sector and business development. In 2014-15, there were 18 research projects supported totaling \$1,584,799 through the Regional Development Program (RDP).

The Heritage division chaired a working group comprised of representatives from BTCRD, ACOA, MUN, the Community Sector Council, and the Bonavista Historic Townscape Foundation to undertake a comprehensive analysis of the impacts of investments in built heritage in the Town of Bonavista. This study is intended to provide direction for the work of the Foundation and for future community development work.

BTCRD commissioned research to determine the current level of IDM activity in the province, examining national and international industry trends and opportunities for IDM development. Building on the foundation BTCRD has established for developing a successful IDM industry, this work provided support for the introduction of a refundable IDM tax credit on eligible payroll in the province.

BTCRD regularly invests in research initiatives with its partners. Over the last year investment was made in Enhanced Radar operations for Placentia Bay, autonomous underwater vehicles at the Autonomous Oceans System Laboratory at MUN's Faculty of Engineering, and partnered with ACOA and RDC on the SeaFormatics Pod, a new energy production device using underwater ocean currents.

Indicator 9: Invested in regional development initiatives

The Regional Development Fund provides non-repayable contributions to support non-profit organizations in activities related to regional and sectoral development, diversification and innovation.

In 2014-15, the RDP provided funding towards 138 projects in all regions of the province:

Region	# of Projects Approved	Total Project Value	RDP Amount Approved	Total Leveraged
Avalon	14	2,761,348	890,446	\$1,839,402
Central	14	9,961,271	1,185,737	\$3,885,535
Eastern	14	5,638,729	1,976,998	\$3,161,812
Labrador	9	2,880,397	540,272	\$1,890,125
Western	23	9,250,722	3,114,255	\$5,406,532
Pan- Provincial	64	59,397,641	4,553,934	\$49,724,168
Total	138	89,890,109	12,261,641	\$65,907,574

Notes:

- Total leveraged amount includes Federal Government and private sources and client contributions. Other provincial sources are not included in amount listed above.
- 120 clients received support from the RDP, through new approvals in 2014-15.

The RDP focuses on advancing regional and sectoral infrastructure, marketing and market development, conducting research and building research capacity; as well as regional capacity building. The 2014-15 RDP approvals of projects sorted by four key themes: infrastructure; capacity building; marketing; and research, are below.

Theme	# of Projects Approved	Total Project Value	RDP Amount Approved	Total Leveraged
Capacity Building	74	\$15,629,308	\$2,740,801	\$10,664,296
Infrastructure	31	\$27,877,992	\$7,064,890	\$15,594,614
Marketing	15	\$3,367,942	\$871,153	\$1,975,670
Research	18	\$43,014,867	\$1,584,799	\$37,672,995
Total	138	\$89,890,109	\$12,261,643	\$65,907,575

Note:

- Total leveraged amount includes Federal Government, private sources and client contributions. Other provincial sources are not included in amount listed above.

Cultural Economic Development Program (CEDP). BTCRD provided support for arts and heritage organizations and related initiatives throughout the province. CEDP (Arts) provided \$1,612,900 to approximately 47 major initiatives through the province in 2014-15. These investments allowed for enhanced opportunities for multi-season festivals and events in every region of the province, and included \$280,000 in operational support to theatre festivals to stimulate economic development of the province's cultural resources. CEDP (Heritage) provided a total of \$950,010 for operational funding to 118 community heritage organizations; \$264,752 in support of seven sectoral heritage organizations and \$58,251 to 11 community heritage organizations for project funding; and \$49,538 to 14 organizations under the Aboriginal Cultural Heritage Program.

Objective (2015-16): By March 31, 2016, BTCRD will have implemented capacity building initiatives that support regional and industry development.

Measure: Capacity building initiatives implemented

Indicators:

1. Invested in regional and industry development initiatives
2. Conducted and supported activities to strengthen sector organizations
3. Supported regional development initiatives in partnership with municipalities
4. Invested in capacity building initiatives through the Community Capacity Building component of the Regional Development Fund
5. Invested in the further expansion of broadband infrastructure in province
6. Invested in the promotion of youth innovation throughout the province through experiential learning opportunities in the fields of science, technology, engineering and math
7. Conducted and supported capacity building activities through the Arctic Opportunities Initiative
8. Facilitated opportunities for NL business and R&D with northern jurisdictions

ISSUE 3: FURTHER STRENGTHENING PARTNERSHIPS IN TOURISM

In support of the Provincial Government's strategic direction, Strengthening Partnerships in Tourism, BTCRD continued to strengthen its innovative public-private partnerships through the Newfoundland and Labrador Tourism Board. This partnership brings together the Provincial and Federal Governments, HNL, and the DMOs to implement our ten-year strategy, *Uncommon Potential: A Vision for Newfoundland and Labrador Tourism (Vision 2020)*.

With the goal to improve and develop tourism assets, Tourism Board partners have heavily participated in the DDP process, the implementation of the TAP and market readiness initiatives.

DMOs engaged industry and partners and worked to develop authentic, market-ready tourism products and experiences and continued to build on the marketing of the provincial brand. The DMOs embraced the expansion of their roles into product development as well as quality assurance/market readiness and have proven to be powerful resources in driving the implementation of crucial tourism sector initiatives such as the DDP process and the TAP.

The partnership required throughout the DDP process and TAP implementation has fostered a level of unprecedented collaboration and partnership among industry stakeholders, recognizing the impact of these initiatives on the development and growth of the industry.

In support of these partnerships, BTCRD continued to ensure that timely and quality market research was available to all tourism stakeholders, and with HNL, have increased efforts in online learning and collaboration to ensure the industry has access to workshops, webinars and information sessions.

BTCRD supported HNL-led efforts to continue to raise the professional image of the tourism sector, and to foster positive attitudes towards training and professional skills development. The development of HNL's three-year Skills, Knowledge and Workforce Provincial Action Plan, to be launched in 2015, will be critical in addressing industry training needs, workforce skills and knowledge gaps to ensure the long-term sustainability of the tourism sector.

Finally, the alignment of marketing efforts of the DMOs and the tourism industry in support of the *Find Yourself* campaign has resulted in greater industry coordination – Tourism stakeholders now speak with one voice and convey consistent messaging at consumer/trade shows. These coordinated partnerships have motivated higher levels of creativity in developing provincial and regional content for both digital and traditional media channels. They have also increased interest in the province as a travel destination

and the delivery of more relevant information to potential travellers as they move through the 'path to purchase'.

Goal 3: By March 31, 2017, the Department of BTCRD will have supported the development of tourism products and experiences aligned with market demand.

Objective (2014-15): By March 31, 2015, the Department of BTCRD will have developed frameworks and tools to identify tourism products and experiences aligned with market demand, and minimum standards through TAP will be promoted and supported.

Measure: Framework and tools will have been developed to identify tourism products and experiences aligned with market demand, and minimum standards will have been promoted and supported.

Indicator 1: Prepared a destination development framework and engaged stakeholders

A destination development framework was developed and stakeholders were engaged by consultants Brain Trust Marketing and Communications and the Tourism Café on behalf of BTCRD. This work led to the development of a pan-provincial DDP to assess visitor appeal and identify new product development opportunities in all regions.

Phase I of this DDP was a Tourism Destination Visitor Appeal Assessment (TDVAA) which continued in 2014-15 with the completion of the Labrador region TDVAA Report, and the launch of the Western, Central and St. John's Metro area TDVAA process.

Phase II of the DDP was an OM process which began in 2014-15 with the completion of the Eastern region OM process, and which resulted in the priority ranking of recommendations from the TDVAA report and established short-term, mid-term and long-term implementation time frames.

Indicator 2: Ensured tools and processes to identify tourism products and experiences aligned with market demand are developed

Through the DDP process, BTCRD ensured that tools and processes were developed to identify tourism products and experiences that were aligned with market demand. This informed the development of *Creating Experiences: A toolkit for the tourism industry* – designed to provide information and guidance in the creation of compelling tourism experiences that match the Newfoundland and Labrador tourism market.

Indicator 3: Developed criteria for assessing these tourism products and experiences and identified factors that support successful tourism product development

Criteria were developed in partnership with Tourism Board members with the goal to improve and develop its tourism products and experiences. Through the Tourism DDP process, stakeholders were engaged to ensure tourism product and experience development priorities were identified, prioritized and implemented.

With the final TDVAA report completed in the Eastern region in 2014, BTCRD developed a customized OM process for DDP Phase II to prioritize the recommendations and initiatives as well as establish short-term, mid-term and long-term time frames resulting from Phase I – TDVAA of the DDP process.

Indicator 4: Introduced tools and processes in selected regions to identify, assess and plan the development of tourism products and experiences aligned with market demand

Destination Development Plan was introduced as a province-wide initiative to assess visitor appeal and identify new product and experience opportunities that meet market demand. The process included:

- Completion of a tourism resource and asset assessment for each region;
- Evaluation of product / experience assets of a region in the context of the existence of distinctive core attractors, quality, critical mass, satisfaction and value, accessibility and the existing accommodation base;
- Validation of the quality of the tourist experience and assessment of destination success;
- Preparation of regional DDPs with recommendations and utilizing the OM process to prioritize recommendations and establish implementation time frames;
- Encouraging the establishment of tourism industry working groups to implement the recommendations; and
- Monitoring, encouraging and supporting the implementation of DDPs.

Indicator 5: With HNL, will have provided TAP assessment, promotion and counselling supports to tourism operators to ensure compliance with minimum standards

Launched as a customer-focused initiative in 2013, the province's TAP was designed to establish common minimum operational standards and facilitate market readiness and quality assurance. In 2014, education and coaching efforts to encourage tourism operators to meet minimum standards included:

- BTCRD provided a letter of explanation and individual Tourism Operator Profile (TOP) forms to each tourism operator which outlined the program requirements.
- Further counselling related to TAP was provided through emails, presentations

and webinars by HNL, the DMOs and BTCRD.

- To help ensure compliance, BTCRD contacted tourism operators who had not yet submitted their TOP forms, by May 31, to also remind them the TAP requirements and deadline.
- Ongoing communication, education and coaching through presentations, workshops and mentoring sessions were delivered by the DMOs and HNL to encourage additional tourism operators to become TAP approved.

The Heritage division developed minimum standards for community museums and archives which will be a requirement for continued CEDP operational funding in 2016-17. This supplements TAP to enhance the overall quality of operations and tourism offerings. In 2014-15 the Department supported professional development and outreach to help achieve these standards. This is a first step to enhance the overall standards in the province's community heritage institutions.

Objective (2015-16): By March 31, 2016, the Department of BTCRD, working with relevant provincial and regional stakeholders, will have supported the development of action plans in selected regions for the development of priority tourism products and experiences aligned with market demand.

Measure: Supported the development of action plans in selected regions.

Indicators:

1. Developed Tourism Destination Visitor Appeal Assessment (TDVAA) Reports with recommendations for Western, Central and St. John's Metro region
2. Continued the Destination Development Plan (DDP) Opportunity Management Process for DMO regions where TDVAA Reports with recommendations are completed
3. Encouraged to action, and monitor DDP Implementation Plans with identified priorities, where DDP Phase II – OM is completed
4. Provided support for development of market-ready, in-demand tourism products and experiences

ISSUE 4: COMMEMORATING THE CEREMONY THE CENTENARY OF THE FIRST WORLD WAR AND HONOURING VETERANS

In support of the Provincial Government's Strategic Direction, Strengthening and Growing our Culture, the Honour 100 commemoration initiative was aligned with and worked towards achieving the outcome of a strengthened cultural sector that preserves both our tangible and intangible heritage.

As a seminal moment in the history of Newfoundland and Labrador, the First World War directly shaped the province and its people. The Provincial Government, along with stakeholders and community organizations continue to plan and deliver initiatives through the Honour 100 program to commemorate the sacrifices of all Newfoundlanders and Labradorians. The commemoration of the centenary is aimed at reconnecting Newfoundlanders and Labradorians with their past; to honour veterans past and present; to encourage communities and organizations throughout the province to work together on commemorative initiatives; and to help maximize youth engagement.

By commemorating Newfoundland and Labrador's involvement in the First World War through Honour 100, BTCRD brings these sacrifices to the forefront of our thinking, helping us to better understand this enduring legacy.

Goal 4: By March 31, 2017, the Department of BTCRD will have commenced commemoration of Newfoundland and Labrador's First World War story so that citizens are connected with our past and veterans past and present are honoured.

Objective (2014-15): By March 31, 2015, the Department of BTCRD will have initiated research, development and planning under all five pillars of Honour 100.

Measure: Research, development and planning under all five pillars of Honour 100 initiated.

Indicator 1: Research and consultation to support planning and development undertaken

Research and consultation by BTCRD was undertaken with the Royal Canadian Legion, the Royal Newfoundland Regiment Advisory Council, The Rooms, MUN, and relevant provincial arts and heritage organizations to support planning and development of Honour 100 projects.

In 2014-15, research and consultation supported the monument and war memorial projects; commemorations of key anniversary including the October 5th *March to the Florizel*; the August 17th *Remobilization of the First Newfoundland Regiment*; and

ongoing historical research to support the continuing development and update of the Honour 100 website <http://honour100.ca/>.

Indicator 2: Commemorative anniversaries planned and selected initiatives developed

BTCRD staff continued to work with the Royal Newfoundland Regiment Advisory Committee, the Honour 100 Steering Committee, and a stakeholder committee to plan and develop initiatives to commemorate the anniversaries related to the outbreak of the First World War. In 2014-15, the following commemorative anniversaries and selected initiatives were planned and developed:

- August 4th anniversary of the Outbreak of the First World War;
- October 5th anniversary of the remobilization of the First Newfoundland Regiment; and
- August 17th anniversary of the March of the First 500 to the SS Florizel.

Indicator 3: Legacy initiatives and projects planning initiated

Legacy initiatives and projects planning was initiated with the following Honour 100 projects:

- Gallipoli Monument Project in consultation with the Federal Government and the Royal Newfoundland Regiment Advisory Council;
- Bowring Park Interpretation project with the City of St. John's and the Bowring Park Foundation;
- Digitization of the Military Service Files with The Rooms Corporation;
- Enhancement of the Trail of the Caribou Pilgrimage with the Royal Canadian Legion; and
- Honour 100 Grant Program for arts and heritage organizations and communities across Newfoundland and Labrador.

Indicator 4: Educational opportunities for commemoration and engagement of youth identified

BTCRD worked closely with the Department of Education to identify educational opportunities for commemoration and engagement of youth through a number of initiatives. First World War commemorations and engagement for youth included:

- New curriculum outcomes and lesson plans specifically related to the First World War in all grades;
- Additional educational resources through the Newfoundland and Labrador Heritage website, including film and video vignettes and articles;
- Expanded Heritage Fairs through to high school for the first time;
- Option for students to complete First World War projects in the Heritage Fairs; and
- The Ambassador Travel program for 19 youth to attend Trial of the Caribou

pilgrimage in 2015.

Indicator 5: Outreach opportunities identified

BTCRD and Honour 100 staff continued to work closely with stakeholders across the province to identify outreach opportunities. The opportunities identified included:

- Presentations across the province for projects linked to the commemorations through the ACC;
- Support of the Newfoundland Historical Society to host a Provincial symposium to launch year one of the First World War commemoration and the outbreak of the First World War;
- A partnership with The Rooms to digitize military service files that can eventually be accessed worldwide via the internet; and
- Working closely with the Royal Canadian Legion to enhance the annual Trail of the Caribou pilgrimage and create an educational program for students, including a guided tour with a historian to all sites relevant to Newfoundland and Labrador.

Objective (2015-16): By March 31, 2016, the Department of BTCRD will have developed and advanced initiatives to commemorate the Centenary of the First World War and honoured veterans.

Measure: Initiatives developed and advanced.

Indicators:

1. Commemorated key anniversaries through select initiatives
2. Undertook selected legacy projects
3. Enhanced, developed and implemented educational opportunities for commemoration and engagement of youth
4. Developed and implemented selected outreach initiatives

ISSUE 5: SUPPORTING THE STATUS OF ARTISTS

In support of the Provincial Government's strategic direction, Strengthening and Growing Our Culture, BTCRD is committed to recognizing and supporting the status of the province's artists. The Department recognizes and supports excellence in artistic endeavours and improving the conditions under which artists and other cultural workers create and produce art. *Creative Newfoundland and Labrador: The Blueprint for Development and Investment in Culture* (2006) recognizes that artists and their creations are at the core of cultural activity.

Professional artists are those who aspire to earn a living through their artistic work and who are recognized by their peers. They are among the province's most highly educated, skilled and flexible workers and are already major contributors to our creative economy and society. The majority of professional artists in this province, however, are self-employed, with lower-than-average incomes and limited employment.

BTCRD is working with stakeholders to examine potential strategies and priorities to enhance recognition and supports for the status of artists in their contribution to the province's social and economic life. Artists, arts organizations and institutions are continually seeking ways in which they can deepen and expand their access to, and engagement with, audiences. This includes recognizing and promoting the contribution that the arts and artists make to everyday life and how the province presents itself to the world.

For almost 50 years, the province's ACC have provided the arts community with essential creation and presentation space. While continuing to play this key role in providing artists with opportunities for creation, employment and engagement with communities and to linkages to tourism development, BTCRD is now identifying how best to further support artistic practice, and improve the social and economic conditions under which artists create and disseminate their work in an age of rapid technological, social and economic change.

Goal 5: By March 31, 2017, the Department of BTCRD will have enhanced recognition and supports for the status of artists in their contribution to the province's social and economic life.

Objective (2014-15): By March 31, 2015, the Department of BTCRD will have initiated a review of the current status of artists in the province.

Measure: Review of the current status of artists initiated

Indicator 1: Initiated review of current status of artists in the province

The review was initiated by BTCRD in conjunction with the Association of Heritage Industries. To accomplish this, the Department met three times in 2014-15 with the Arts Advisory Committee to discuss issues relevant to the status of professional artists in the province.

BTCRD also participated, and continues to participate on an FPT committee on cultural statistics researching the value of culture to the GDP on a provincial basis. This will assist to demonstrate the economic contribution of the cultural sector in this province in comparison with other jurisdictions.

Indicator 2: Researched the status of artists in other jurisdictions

In fiscal year 2014-15, BTCRD researched the legislations pertaining to the status of the artist across the country through a jurisdictional analysis. A scan was completed on recent legislation enacted in the country and it was noted that Nova Scotia and Ontario have both enacted legislation, thereby making a general commitment to recognizing the value of artists without establishing specific measures such as standard rates of pay, and health care. New Brunswick has established a committee to make recommendations regarding the Status of the Artists for that province.

Indicator 3: Consulted with relevant stakeholders within government, the cultural community and relevant organizations

BTCRD consulted with stakeholders on the status of artists and topics relevant to the arts community through meetings with the Arts Advisory Committee, the Federal/Provincial Committee on Cultural Industries, Newfoundland and Labrador Arts Council, Tri-Level Committee, Cultural Connections, Business and Arts, as well as a number of arts groups and associations as required.

Indicator 4: Identified key factors that impact the status of artists and their recognition and support

Through research and consultation, BTCRD identified key factors impacting the status of artists, such as level of investment, opportunities for exposure nationally and internationally (publication, exhibition, touring, performance), marketing and business development, private sector investment, standardized rates of compensation, arts in education, rehearsal/ performance/exhibition space, opportunities for dissemination of work, support to Aboriginal artists, and copyright.

Objective (2015-16): By March 31, 2016, the Department of BTCRD will have completed a review, identified potential strategies and assessed ways and means to enhance recognition and support of the status of artists in the province.

Measure: Identified potential strategies and assessed ways and means to enhance recognition and support of the status of artists.

Indicators:

1. Developed potential strategies
2. Identified and assessed key priorities
3. Prepared a report identifying potential strategies, and key priorities

MANAGEMENT DISCUSSION: OPPORTUNITIES AND CHALLENGES

The 2015-16 fiscal year will present a number of opportunities and challenges for BTCRD to navigate as it delivers on its mandate.

Adapting to the Changing Business Environment. Developing regional economies and advancing sector development is a primary focus for BTCRD. Economies are continuously changing and BTCRD remains focused on assisting all regional clients and stakeholders adapt to this changing environment. To create growth opportunities for SMEs and an environment conducive for business and regional development, BTCRD will remain focused on improving business competitiveness; increasing the capacity for innovation; positioning companies to participate in the global economy; increasing access to skills development; and support infrastructure developments. Similarly, BTCRD remains a committed partner in supporting non-profit organizations and other regional development stakeholders through both financial and non-financial supports.

The Department's strength is its ability to respond to major changes in economic environments through flexible program delivery tailored to its clients. A prime example of meeting a significant need is in western Labrador, which faces economic uncertainty due to changes in the global value of commodities. BTCRD is positioned to provide support during these kinds of unanticipated challenges through a broad set of business development programs and services. We will collaborate with local businesses and economic development organizations, targeting opportunities for new economic activity.

Capitalizing on Synergies. The merger of the two former Departments (IBRD and TCR) into the new Department of BTCRD has created opportunities across a number of lines of business. Natural business and sector development teams have emerged from existing divisions which are now strategically focused on a number of shared initiatives. A key area of this synergy is found between tourism product and regional development. Similarly, opportunities are recognized in support of the craft sector which has strong ties to the provincial tourism brand which reflects our culture and sense of place - all of which present business opportunities for tourism operators, cultural industries, and related service providers. Together, these kinds of synergies will positively impact our clients.

Product and Market Ready Tourism Experiences. Tourism is one of Newfoundland and Labrador's success stories, attracting visitors seeking exciting and memorable experiences. While interest in the province as a tourist destination is at an all-time high, there still remains room to improve within the path to purchase between awareness, interest, planning and the purchase of travel products and experiences. Widely embraced by the tourism industry, the provincial TAP provides an opportunity to continue to improve tourism products and visitor experiences.

The collaboration of the Department's business and tourism specialists has resulted in a more coordinated approach to tourism client servicing and collaboration on public and private investments. This provides the opportunity for new approaches to product development and higher levels of cooperation and coordination among tourism stakeholders to ensure that visitor expectations are met with high quality and innovative experiences.

BTCRD will continue to work with the Newfoundland and Labrador Tourism Board to advance the goals put forth in our Vision 2020. These opportunities will be further advanced through the destination development process occurring in 2015 and beyond. The Provincial Government and the tourism industry must continue to work together to deliver on the brand's promise of creating memorable experiences by connecting travellers to the special places, people, and cultures across the province. This will further advance the province's tourism industry, help boost the economy, and strengthen regional opportunities.

Sustainability of Major Tourism Attractions. Cultural, heritage and natural attractions are key components in the destination development of Newfoundland and Labrador. A major challenge for these attractions is sustainability. This is especially true for smaller not-for-profit community-based sites which experience significant operational challenges; however, many are key travel generators for the province, region or community. As an outcome of the DDP process, BTCRD, in cooperation with the Newfoundland and Labrador Tourism Board, is evaluating the viability of these assets. Concentration of public and private sector investment will ensure the sustainability of the key cultural, heritage and natural anchor attractions.

Supporting Arts, Artistic Creation and Performance. The recognition of the value of the arts is a major challenge that BTCRD will work towards with its partners and stakeholders to develop potential strategies to support the social and economic well-being of artists in the province. The provision of performance and creative spaces in the ACC continues to play a key role in this endeavor. ACC not only serve as presentation hubs but are also essential multi-purpose cultural facilities. However, they also currently face significant financial and operational challenges to continue as vibrant leading performing arts spaces throughout the province. BTCRD will seek ways to better facilitate artistic creation, provide premiere performance spaces, engage audiences, and support opportunities for creation and employment for artists.

Multi-year Targeted Trade Development. BTCRD supports the Provincial Government's business development mandate to grow the economy through the provision of targeted trade development initiatives for local business clients and industry stakeholders pursuing international market opportunities.

To meet the challenge of the complex, competitive and ever-changing global marketplaces, the Department's approach to trade development has evolved beyond the traditional definition to become one that is more tactical and long-term. BTCRD's suite of programs and services has also evolved and is specifically tailored to assist each individual firm along the stages of the export continuum.

During 2014-15, the Department initiated discussions around a new multi-year international business development plan. The intention of this plan was to ensure longer term planning and budgeting of the tactical missions and events. In 2015-16, it will consist of a market strategy, primarily to the United States focusing on start-ups and new exporters, and sector-specific opportunities in film/television and aerospace and defense; European opportunities for seasoned exporters related to emerging opportunities from trade agreements; and, plans for mature local firms to access the complex markets of Brazil and China.

Supporting the Innovators. To sustain Newfoundland and Labrador's recent prosperity, it is important that the Provincial Government help foster an environment conducive to innovation and enhanced business competitiveness. One of the greatest opportunities for growth is among the rapidly emerging local start-up community that represents the natural relationship between entrepreneurship and innovation. While the previous year marked significant growth in business start-ups province-wide, efforts must now be focused on better alignment and collaboration among business and industry stakeholders as part of the development of a renewed Action Plan for Innovation. The Department's challenge is to assist companies as they embrace innovation, creativity and a culture of continuous improvement to position themselves in national and international markets.

Economic Diversification through Ocean Technology. Continuing to diversify the economy is high priority for the Provincial Government. As the province continues to work toward this goal, the ocean technology sector is clearly positioned as a key sector for growth. The ocean technology sector in Newfoundland and Labrador enables activities and expansion in other key economic sectors such as oil and gas, fisheries and aquaculture, transportation, environment, marine recreation and tourism, and defense and security.

In 2014, BTCRD commissioned a study to assess the current state of the provincial ocean technology sector in the Province. This updated sector profile demonstrates the existing strengths in R&D infrastructure and expertise, a private sector with unique capabilities, and support from all levels of government. As a follow-up to this study, the Department will prepare a new strategy with partners from OceansAdvance, federal agencies, industry associations, MUN, and other provincial departments, to ensure growth in the sector locally and internationally.

Leading the Path to the Arctic. Extensive work has been undertaken over the past couple of years to create awareness about the province as a strong Arctic player. As a result, the Provincial Government and local stakeholders alike have been able to highlight Arctic expertise, strengthen relationships and develop new partnerships on a global scale. The challenge for the Department next year will be to advance its Arctic Action Plan in three strategic directions - positioning Newfoundland and Labrador as the path to the Arctic; enhance development capacity; and fostering new opportunities among the business community, academia, government and Aboriginal communities.

Ensuring a Continuing Legacy. The Provincial Government's acknowledgement of the contributions which Newfoundlanders and Labradorians played during the First World War continues through Honour 100 commemoration events and activities. These events remain an important opportunity to engage youth and reconnect the people of the province with their history. However, as we move past the key anniversaries and associated events, the challenge will be to ensure that the collective memory of the sacrifices which were made continues to resonate through the key legacy projects for years to come.

APPENDIX 1: ACRONYMS

ACC – Arts and Culture Centres
ACOA – Atlantic Canada Opportunities Agency
ACTS – Atlantic Craft Trade Show
ADIANL – Aerospace and Defence Industry Association of Newfoundland and Labrador
AES – Department of Advanced Education and Skills
ATC – Arctic Technology Conference
BDSP – Business Development Support Program
BIC – Business Investment Corporation
BOT – Board of Trade
BPCC – Burin Peninsula Chamber of Commerce
BR&E – Business Retention and Expansion Initiative
BTCRD – Business, Tourism, Culture and Rural Development
CBPC – Corner Brook Port Corporation
CCB – Community Capacity Building
CEDP – Cultural Economic Development Program
CETA – Comprehensive Economic and Trade Agreement
DDP – Destination Development Plan
DMO – Destination Management Organization
FA – Department of Fisheries and Aquaculture
FPT – Federal-Provincial-Territorial
GDP – Gross Domestic Product
HNL – Hospitality Newfoundland and Labrador
IAF – Investment Attraction Fund
IAP – Innovation Action Plan
IBRD – Department of Innovation, Business, and Rural Development (Former)
IDM – Interactive Digital Media
MPAI – Mistaken Point Ambassadors Incorporated
MUN – Memorial University of Newfoundland
NEIA – Newfoundland and Labrador Environmental Industry Association
NLFC – Newfoundland-Labrador Federation of Co-operatives
NLOA – Newfoundland and Labrador Outfitters Association
NR – Department of Natural Resources
OM – Opportunity Management
PHS – Provincial Historic Site
RBI – Rural Broadband Initiative
RDC – Research and Development Corporation
RDP – Regional Development Program
SME – Small and Medium-sized Enterprise
TAP – Tourism Assurance Plan
TCR – Department of Tourism, Culture and Recreation (Former)
TDVAA – Tourism Destination Visitor Appeal Assessment
TOP – Tourism Operator Profile
TPMI – Translational and Personalized Medicine Initiative
UNESCO – United Nations Educational, Scientific, and Cultural Organization
VIC – Visitor Information Centre

Appendix 2: BTCRD Expenditures				
		Original	Amended	Actual (\$)
Line Item	Source of Expenditure	Estimate (\$)	Estimate (\$)	(Unaudited)
1.1.01	Minister's Office	453,900	453,900	392,296
1.2.01	Executive Support	1,183,400	1,264,200	1,250,155
1.2.02	Administrative Support	866,700	885,900	773,888
	(Less: Revenue)	(7,600)	(7,600)	(15,925)
1.2.03	Policy & Strategic Planning	759,100	769,500	653,130
1.2.04	Administrative Support - Capital	270,000	274,600	184,287
2.1.01	International Business Development	3,183,000	2,968,500	2,638,941
	(Less: Revenue)	(300,000)	(300,000)	(202,369)
2.1.02	Marketing and Enterprise Outreach	1,132,300	1,132,300	1,049,573
2.1.03	Investment Attraction Fund - Capital	15,000,000	12,735,622	7,672,540
3.1.01	Business Analysis	1,261,200	1,237,500	937,178
	(Less: Revenue)	0	0	(1,750)
3.1.02	Investment Portfolio Management	4,326,700	4,326,700	4,286,542
3.1.03	Strategic Enterprise Development Fund - Capital	16,229,000	16,229,000	0
4.1.01	Innovation, Research and Technology	5,952,100	6,156,100	4,398,927

4.2.01	Sector Development	1,134,200	1,134,200	988,063
	(Less: Revenue)	0	0	(6,654)
5.1.01	Regional Economic Development Services	1,066,400	1,057,400	969,042
5.2.01	Business and Economic Development Services	5,376,200	5,371,600	4,804,209
5.3.01	Comprehensive Economic Development	9,160,600	11,424,978	11,327,160
6.1.01	Ocean Technology Initiatives	735,200	668,000	600,663
7.1.01	Tourism Marketing	12,631,300	12,657,200	12,572,531
	(Less: Revenue)	(80,000)	(80,000)	(76,978)
7.1.02	Strategic Product Development	14,759,700	14,741,500	14,657,683
	(Less: Revenue)	(43,000)	(43,000)	(43,000)
7.1.03	Marble Mountain Development Corporation	840,000	840,000	840,000
8.1.01	Culture and Heritage	5,714,300	5,700,500	5,576,798
	(Less: Revenue)	(65,000)	(65,000)	(101,812)
8.1.02	Arts and Culture Centres	6,351,300	6,384,500	6,284,133
	(Less: Revenue)	(4,025,000)	(4,025,000)	(4,581,474)
8.1.03	Newfoundland and Labrador Arts Council	2,115,900	2,115,900	2,115,900
8.1.04	Rooms Corporation of Newfoundland & Labrador	6,030,600	6,030,600	6,030,463
8.1.05	Newfoundland & Labrador Film Development Corporation	707,100	707,100	707,100

8.1.06	Historic Sites Development	275,000	276,900	275,571
8.1.07	Special Celebrations and Events	1,001,000	972,000	425,624
8.1.08	Heritage Foundation of Newfoundland & Labrador	496,900	496,900	496,900
8.1.09	Newfoundland & Labrador Film Development Corporation - Capital	4,500,000	4,500,000	4,500,000
9.1.01	Research and Development Corporation	22,026,000	22,026,000	22,026,000
	Gross Budget	145,539,100	145,539,100	119,435,294
	Related Revenue	(4,520,600)	(4,520,600)	(5,029,962)
	Net Budget	141,018,500	141,018,500	114,405,332